



Unaudited Financial Statement For The Year Ended 31 December 2019

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP			GROUP		
	4th Qtr of 2019 S\$'000	4th Qtr of 2018 S\$'000	Increase / (Decrease)	FY 2019 S\$'000	FY 2018 S\$'000	Increase / (Decrease)
Continuing Operations						
Revenue	15,596	14,715	6%	58,358	55,316	5%
Cost of sales	(12,071)	(13,880)	(13%)	(48,452)	(45,722)	6%
Gross profit	3,525	835	322%	9,906	9,594	3%
Other (loss) / gain, net	(370)	(302)	23%	6,474	578	NM
Expenses						
- Selling and distribution	(155)	(167)	(7%)	(725)	(897)	(19%)
- Administrative	(3,063)	(5,182)	(41%)	(11,528)	(14,074)	(18%)
- Finance	(472)	(527)	(10%)	(2,060)	(2,186)	(6%)
(Loss) / profit before income tax from Continuing Operations	(535)	(5,343)	(90%)	2,067	(6,985)	NM
Income tax (expense) / credit	(420)	227	NM	(351)	(98)	NM
Net (loss) / profit from Continuing Operations	(955)	(5,116)	(81%)	1,716	(7,083)	NM
Discontinued Operations						
Loss before income tax from Discontinued Operations	-	(1,357)	NM	(1,467)	(4,442)	(67%)
Income tax expense from Discontinued Operations	(146)	(7)	NM	(752)	(7)	NM
Net loss	(1,101)	(6,480)	(83%)	(503)	(11,532)	(96%)
(Loss) / profit attributable to:						
Equity holders of the Company	(886)	(6,002)	(85%)	5	(11,661)	NM
Non-controlling interests	(215)	(478)	(55%)	(508)	129	NM
	(1,101)	(6,480)	(83%)	(503)	(11,532)	(96%)

Discontinued operations and subsidiary classified as asset held-for-sale:

On 23 January 2019, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of Asian Sealand Engineering Pte Ltd ("ASE"), a wholly-owned subsidiary. Hence, ASE is classified as "Discontinued Operations" and prior year's comparative figures are restated.

The disposal of ASE was completed on 25 June 2019 for a cash consideration of S\$14.0 million. The gain on disposal of ASE recognised was S\$5.81 million.

NM - Not meaningful

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year. (Cont'd)

	GROUP			GROUP		
	4th Qtr of 2019	4th Qtr of 2018	Increase / (Decrease)	FY 2019	FY 2018	Increase / (Decrease)
	S\$'000	S\$'000		S\$'000	S\$'000	
Net loss after tax	(1,101)	(6,480)	(83%)	(503)	(11,532)	(96%)
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation - (losses) / income	(283)	170	NM	82	(130)	NM
Total comprehensive loss	<u>(1,384)</u>	<u>(6,310)</u>	(78%)	<u>(421)</u>	<u>(11,662)</u>	(96%)
Total comprehensive income / (loss) attributable to:						
Equity holders of the Company	(1,093)	(5,848)	(81%)	107	(11,828)	NM
Non-controlling interests	(291)	(462)	(37%)	(528)	166	NM
	<u>(1,384)</u>	<u>(6,310)</u>	(78%)	<u>(421)</u>	<u>(11,662)</u>	(96%)
Gain / (loss) attributable to equity holders of the Company relates to:						
Continuing Operations	(740)	(4,638)	(84%)	2,224	(7,212)	NM
Discontinued Operations	(146)	(1,364)	(89%)	(2,219)	(4,449)	(50%)
	<u>(886)</u>	<u>(6,002)</u>	(85%)	<u>5</u>	<u>(11,661)</u>	NM

Notes

The Group's profit/(loss) from operations is arrived at after (charging) / crediting

	GROUP		GROUP	
	4th Qtr of 2019	4th Qtr of 2018	FY 2019	FY 2018
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Continuing Operations</u>				
Interest income	12	9	19	14
Interest expense on borrowings	(472)	(527)	(2,060)	(2,186)
Foreign exchange (losses) / gains	(763)	(142)	(543)	483
Gain / (loss) on disposal of property, plant and equipment	111	(352)	300	(350)
Property, plant and equipment written off	(18)	-	(18)	(17)
Amortisation on right-of-use assets	(540)	-	(1,605)	-
Depreciation of property, plant and equipment	(1,538)	(1,708)	(6,219)	(6,851)
Credit loss allowance	(152)	(173)	(201)	(158)
Inventories written back	3	1	3	1
Gain on disposal of asset held-for-sale	-	-	5,810	-
<u>Discontinued Operations</u>				
Interest expense on borrowings	-	(155)	(283)	(625)
Foreign exchange (losses) / gains	-	(27)	(16)	89
Gain on disposal of property, plant and equipment	-	6	3	47
Property, plant and equipment written off	-	-	(112)	-
Depreciation of property, plant and equipment	-	(215)	(401)	(1,066)
Credit loss allowance	-	(66)	(317)	(62)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and bank balances	4,435	5,212	16	1,428
Trade and other receivables	23,426	22,801	87,851	77,311
Contract assets	7,393	5,417	-	-
Inventories	5,051	11,238	-	-
	<u>40,305</u>	<u>44,668</u>	<u>87,867</u>	<u>78,739</u>
Assets in subsidiary classified as held-for-sale	-	13,511	-	-
Non-current asset classified as held-for-sale	-	-	-	7,800
	<u>40,305</u>	<u>58,179</u>	<u>87,867</u>	<u>86,539</u>
Non-current assets				
Trade and other receivables	2,470	4,030	-	-
Investment in subsidiaries	-	-	5,030	4,676
Intangible assets	64	64	-	-
Property, plant and equipment	66,352	67,276	274	381
Right-of-Use assets ⁽¹⁾	5,978	-	3,213	-
Deferred income tax assets	761	356	9	17
	<u>75,625</u>	<u>71,726</u>	<u>8,526</u>	<u>5,074</u>
Total assets	<u>115,930</u>	<u>129,905</u>	<u>96,393</u>	<u>91,613</u>
LIABILITIES				
Current liabilities				
Trade and other payables	26,619	24,455	26,025	17,944
Contract liabilities	350	483	-	-
Deferred income	81	250	-	-
Current income tax liabilities	378	625	14	-
Borrowings and overdrafts	20,140	23,899	8,127	17,637
Lease liabilities ⁽¹⁾	2,172	-	1,300	-
	<u>49,740</u>	<u>49,712</u>	<u>35,466</u>	<u>35,581</u>
Liabilities in subsidiary classified as held-for-sale	-	13,859	-	-
	<u>49,740</u>	<u>63,571</u>	<u>35,466</u>	<u>35,581</u>
Non-current liabilities				
Trade and other payables	1,411	-	-	-
Deferred income	-	77	-	-
Borrowings	8,115	11,071	5,606	1,983
Lease liabilities ⁽¹⁾	3,934	-	1,962	-
Deferred tax liabilities	21	11	-	-
	<u>13,481</u>	<u>11,159</u>	<u>7,568</u>	<u>1,983</u>
Total liabilities	<u>63,221</u>	<u>74,730</u>	<u>43,034</u>	<u>37,564</u>
NET ASSETS	<u>52,709</u>	<u>55,175</u>	<u>53,359</u>	<u>54,049</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	49,651	49,651	49,651	49,651
Other reserves	(1,614)	(1,554)	-	163
Retained profits	4,392	4,484	3,708	4,235
	<u>52,429</u>	<u>52,581</u>	<u>53,359</u>	<u>54,049</u>
Non-controlling interests	280	2,594	-	-
Total equity	<u>52,709</u>	<u>55,175</u>	<u>53,359</u>	<u>54,049</u>

Notes:

⁽¹⁾ With effect from 1 January 2019 and in line with SFRS(I) 16, the Group recognises certain leases that were previously classified as operating leases as Right-of-Use assets and lease liabilities. (Please refer to paragraph 5 for further details).

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

	As at 31-Dec-19		As at 31-Dec-18	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Bank borrowings and overdrafts	300	12,112	-	15,841
Term loans	6,716	885	2,738	240
Convertible bonds	-	-	-	4,987
Finance lease liabilities	127	-	93	-

Amount repayable after one year

	As at 31-Dec-19		As at 31-Dec-18	
	S\$'000		S\$'000	
	Secured	Unsecured	Secured	Unsecured
Term loans	-	3,927	6,117	4,760
Bond	-	3,986	-	-
Finance lease liabilities	202	-	194	-

Details of any collateral

Included in the Group's secured borrowings are:-

- (a) S\$4,896,000 as at 31 December 2019 (30 September 2019: S\$5,878,000) in respect of loans are secured by vessels.
- (b) S\$2,119,000 as at 31 December 2019 (30 September 2019: S\$2,392,000) in respect of loans are secured by immovable properties.
- (c) Finance lease obligations are secured by the underlying equipment.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	FY 2019	FY 2018
	S\$'000	S\$'000
Cash flows from operating activities		
Net loss	(503)	(11,532)
<i>Adjustments for:</i>		
Credit loss allowance	201	220
Inventory written back	(3)	(1)
Income tax expense	1,103	105
(Gain) / loss on disposal of property, plant and equipment	(303)	283
Property, plant and equipment written off	130	36
Depreciation of property, plant and equipment	6,620	7,917
Amortisation on right-of-use assets	1,605	-
Interest income	(19)	(14)
Interest expenses	2,343	2,811
Gain on disposal of asset held-for-sale	(5,810)	-
Gain on disposal of subsidiary	(22)	-
Gain on acquisition of non-controlling interest	(20)	-
Unrealised currency translation loss / (gains)	447	(706)
	5,769	(881)
<i>Changes in working capital</i>		
Inventories	5,987	10,006
Contract assets	(1,544)	888
Trade and other receivables	1,766	(7,033)
Trade and other payables	1,375	7,442
Contract liabilities	(132)	109
Deferred income	(246)	(340)
Cash flows generated from operations	12,975	10,191
Interest received	19	14
Interest paid	(1,906)	(2,319)
Income taxes paid	(659)	(472)
Net cash flows generated from operating activities	10,429	7,414
Cash flows from investing activities		
Addition to property, plant and equipment	(3,890)	(1,694)
Proceeds from disposal of property, plant and equipment	1,385	2,130
Net cash inflow on asset held-for-sale	13,416	-
Proceeds from disposal of subsidiary, net of cash disposed of	93	-
Net cash outflow from acquisition of non-controlling interest	(38)	-
Net cash flows generated from investing activities	10,966	436
Cash flows from financing activities		
Repayment of borrowings, net	(15,646)	(5,819)
Proceeds from bond	4,000	-
Repayment of convertible bond	(5,000)	-
Repayment of finance lease liabilities	(113)	(211)
Repayment of lease liabilities	(1,737)	-
Bills payable	(129)	(714)
Interest paid	(615)	(380)
Dividend paid to non-controlling interest	(1,607)	(1,372)
Proceeds from subscription of ordinary shares by non-controlling interests	-	98
Net cash flows used in financing activities	(20,847)	(8,398)
Net increase / (decrease) in cash and cash equivalents	548	(548)
Cash and cash equivalents		
Beginning of the period	1,405	1,955
Effects of currency translation on cash and cash equivalents	(6)	(2)
End of financial period	1,947	1,405

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Share capital	Retained profits	Translation reserves	Equity component of convertible bonds	Premium paid on acquisition of non-controlling interest	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000		
GROUP								
Balance as at 1 January 2018	49,651	16,145	(1,498)	163	(52)	64,409	3,702	68,111
Dividend paid to non-controlling interest	-	-	-	-	-	-	98	98
Acquisition of non-controlling interest	-	-	-	-	-	-	(1,372)	(1,372)
Total comprehensive (loss) / income for the year	-	(11,661)	(167)	-	-	(11,828)	166	(11,662)
Balance as at 31 December 2018	49,651	4,484	(1,665)	163	(52)	52,581	2,594	55,175
Balance as at 1 January 2019	49,651	4,484	(1,665)	163	(52)	52,581	2,594	55,175
Effects of adopting SRFs(I) 16	-	(260)	-	-	-	(260)	-	(260)
Balance as at 1 January 2019 (restated)	49,651	4,224	(1,665)	163	(52)	52,321	2,594	54,915
Dividend paid to non-controlling interest	-	-	-	-	-	-	(1,607)	(1,607)
Acquisition of non-controlling interest	-	-	-	-	-	-	(58)	(58)
Disposal of subsidiary to non-controlling interest	-	-	-	-	-	-	(121)	(121)
Transfer of other reserve on extinguishment of convertible bond	-	163	-	(163)	-	-	-	-
Total comprehensive (loss) / income for the year	-	5	103	-	-	108	(528)	(420)
Balance as at 31 December 2019	49,651	4,392	(1,562)	-	(52)	52,429	280	52,709
COMPANY								
Balance as at 1 January 2018	49,651	3,281	-	163	-	53,095	-	53,095
Total comprehensive income for the year	-	954	-	-	-	954	-	954
Balance as at 31 December 2018	49,651	4,235	-	163	-	54,049	-	54,049
Balance as at 1 January 2019	49,651	4,235	-	163	-	54,049	-	54,049
Transfer of other reserve on extinguishment of convertible bond	-	163	-	(163)	-	-	-	-
Total comprehensive loss for the year	-	(690)	-	-	-	(690)	-	(690)
Balance as at 31 December 2019	49,651	3,708	-	-	-	53,359	-	53,359

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Ordinary shares

	No. of ordinary shares	S\$'000
Balance as at 30 September 2019 and 31 December 2019	135,010,406	49,651

Convertibles

On 26 April 2019, the Company exchanged convertible bonds for non-convertible 2022 bonds at an aggregate principal amount of S\$4.0 million bearing interest at 9.0% per annum. The exchange bonds will mature on 26 April 2022.

	As at 31-Dec-19	As at 31-Dec-18
	No. of shares	No. of shares
Outstanding option to subscribe new shares	Nil	Nil

Treasury Shares

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding year.

	As at 31-Dec-19	As at 31-Dec-18
	No. of shares	No. of shares
Issued and fully paid	135,010,406	135,010,406

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the current financial period reported on.

None.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2018 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s"). Except as disclosed in paragraph 5 below, the Group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 31 December 2018.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of the adoption of SFRS(I) 16 is recognised as an adjustment to the opening balance of the retained earnings as at 1 January 2019, with no restatement of comparative information. On adoption of SFRS(I) 16, the Group has measured right-of-use assets at its carrying amount as if the standard had been applied since the commencement date and lease liabilities on the remaining lease payments discounted using the incremental borrowing rate as the date of initial application.

The cumulative effects of adopting SFRS(I) 16 are as follows:

	As at 1 January 2019		
	As previously reported	Effects	Adjusted
	S\$'000	S\$'000	S\$'000
Statement of financial position			
<u>Group</u>			
Right-of-use assets	-	3,594	3,594
Lease liabilities	-	(3,854)	(3,854)
Retained earnings	4,484	260	4,224

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on net profit attributable to shareholders (in cents):

a) Based on weighted average number of ordinary shares on issue; and

From Continuing Operations
From Discontinued Operations
Total

Weighted no. of shares in issue

b) On a fully diluted basis

From Continuing Operations
From Discontinued Operations
Total

	Group	
	FY 2019	FY 2018
	1.65	-5.34
	-1.64	-3.30
	0.01	-8.64
	135,010,406	135,010,406
	1.65	-5.34
	-1.64	-3.30
	0.01	-8.64

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

Net asset value per ordinary share based on issued share capital at end of the period / year (in cents)

GROUP		COMPANY	
31-Dec-19	31-Dec-18	31-Dec-19	31-Dec-18
38.83	38.95	39.52	40.03

The Group and the Company's net assets value per ordinary share for the periods have been computed based on the share capital of 135,010,406 shares.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income statement review

<u>Group Turnover</u>	4th Quarter results			
	<u>FY 2019</u> S\$'million	<u>FY 2018</u> S\$'million	<u>+ / (-)</u> S\$'million	<u>+ / (-)</u> %
Infrastructure & Engineering ("IE")	5.65	5.13	0.52	10.1
Corrosion Prevention ("CP")	4.90	2.69	2.21	82.2
Supply & Distribution ("SD")	1.43	1.31	0.12	9.2
Shipping & Others ("SH")	3.61	5.59	(1.98)	(35.4)
	15.59	14.72	0.87	5.9

The Group's revenue increased by 5.9% or S\$0.87 million from S\$14.72 million in 4Q2018 to S\$15.59 million in 4Q2019.

Revenue for our IE division increased by S\$0.52 million to S\$5.65 million in 4Q2019 as compared to S\$5.13 million in 4Q2018. The increase in revenue for 4Q2019 was attributable to securing of more steel fabrication orders in Singapore and Batam. Nevertheless, our fabrication yard in Batam continued to operate below acceptable capacity as no sizeable projects were secured during 4Q2019.

Revenue for our CP division increased by S\$2.21 million from S\$2.69 million in 4Q2018 to S\$4.90 million in 4Q2019 mainly due to higher demand from shipyards in Singapore and Batam.

Revenue for our SD division increased slightly by S\$0.12 million from S\$1.31 million in 4Q2018 to S\$1.43 million in 4Q2019. Nonetheless, demand for marine and industrial hardware products remained weak.

Revenue for our SH division declined by S\$1.98 million from S\$5.59 million in 4Q2018 to S\$3.61 million in 4Q2019. This was due to a prolonged delay of one of the livestock carriers on account of bad weather. Further, our fleet of tug and barges has been reduced to two (2) tug boats in 3Q2019, hence a decline in revenue generating assets.

Other loss increased by 23% was primarily due to foreign exchange losses of S\$0.76 million for 4Q2019 as a result of weakened US dollar against Singapore dollar as of 31 December 2019 as compared to foreign exchange losses of S\$0.14 million for 4Q2018.

Finance charges on continuing operations decreased by S\$55,000 from S\$0.53 million in 4Q2018 to S\$0.47 million in 4Q2019 as a result of reduction in bank borrowings.

Depreciation expenses for continuing operations decreased by S\$0.17 million from S\$1.71 million in 4Q2018 to S\$1.54 million in 4Q2019 due to decrease in fixed assets.

The Group's gross profit from continuing operations increased from S\$0.84 million in 4Q2018 to S\$3.53 million in 4Q2019 due to increase in work volume, project cost control and overall operation performance. The Group improved its gross profit margin to 22.6% in 4Q2019 as compared to 5.7% in 4Q2018 because of improved economies of scale.

Though the Group narrowed net loss attributable to shareholders in 4Q2019 to S\$886,000 as compared to S\$6.0 million in 4Q2018, it continues to experience challenging marine, offshore oil and gas market conditions. The Group's inability to secure sizeable projects led to much of the Group's fixed costs and overheads being inadequately covered by work orders in 4Q2019.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (Cont'd)

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)

<u>Group Turnover</u>	Full Year results			
	FY 2019 S\$'million	FY 2018 S\$'million	+ / (-) S\$'million	+ / (-) %
Infrastructure & Engineering ("IE")	16.25	11.98	4.27	35.6
Corrosion Prevention ("CP")	19.89	14.70	5.19	35.3
Supply & Distribution ("SD")	5.90	6.49	(0.59)	(9.1)
Shipping & Others ("SH")	16.32	22.14	(5.82)	(26.3)
	58.36	55.31	3.05	5.5

The Group's revenue increased by 5.5% or S\$3.05 million from S\$55.31 million in FY2018 to S\$58.36 million in FY2019.

Revenue for our IE division increased by S\$4.27 million from S\$11.98 million in FY2018 to S\$16.25 million in FY2019. The increase in revenue for FY2019 was mainly attributable to increased offshore asset repair and maintenance work. Positively, there was an increase in work orders on steel fabrication activities for our Singapore and Batam yards. However, IE division's business in Batam remained challenging due to the depressed offshore oil and gas sector where we did not secure sizeable contracts in FY2019.

Revenue for our CP division increased by S\$5.19 million from S\$14.70 million in FY2018 to S\$19.89 million in FY2019 mainly due to increase in ship repair activities at major shipyards in Singapore and Batam.

Revenue for our SD division decreased by S\$0.59 million from S\$6.49 million in FY2018 to S\$5.90 million in FY2019 due to weak demand for marine and industrial hardware products.

Revenue for our SH division decreased by S\$5.82 million from S\$22.14 million in FY2018 to S\$16.32 million in FY2019 mainly due to the mandatory drydocking and repairs of one of the livestock carriers for seven months. In addition, the tug and barge fleet has been reduced to two (2) tug boats, a decline in revenue generating assets.

Other gain was S\$6.47 million in FY2019 was largely due to S\$5.81 million gain on disposal of a subsidiary - Asian Sealand Engineering Pte Ltd for consideration S\$14.0 million on 25 June 2019. In addition, the Group reported gain on disposal of fixed assets S\$0.28 million on FY2019. However, the Group booked foreign exchange losses of S\$0.54 million for FY2019 due to weakened US dollar as of 31 December 2019. For FY2018, the Group booked foreign exchange gain of S\$0.48 million on US dollar against Singapore dollar out of the reported S\$0.58 million other gain.

Interest expense on borrowings for continuing operations decreased by 6.0% or S\$0.13 million from S\$2.19 million in FY2018 to S\$2.06 million in FY2019 as a result of reduction in bank borrowings.

Depreciation expenses on continuing operations decreased by S\$0.63 million from S\$6.85 million in FY2018 to S\$6.22 million in FY2019 due to decrease in total fixed assets.

The Group's gross profit from continuing operations increased slightly by S\$0.31 million from S\$9.59 million in FY2018 to S\$9.90 million in FY2019. This was due to increased revenue and gross profit margins from IE and CP division offset by decreased revenue from SD and SH division.

The Group registered breakeven profit attributable to shareholders of S\$5,000 in FY2019 mainly attributable to S\$5.81 million gain on disposal of a subsidiary. As the Group continued to experience challenging marine offshore oil and gas market conditions, the volume of work for both FY2018 and FY2019 were unable to cover the Group's fixed costs and overheads.

CASHFLOW STATEMENT

Net cash inflow generated from operating activities was S\$10.43 million in FY2019. This was attributable to changes in working capital mainly generated from S\$6.00 million decrease in inventories; decrease in trade and other receivables by S\$1.77 million; and increase on trade and other payables by S\$1.37 million.

Net cash inflow from investing activities was S\$10.97 million in FY2019. This was attributable to net cash inflow of S\$13.42 million from sale of a subsidiary - Asian Sealand Engineering Pte Ltd ("ASE") on 25 June 2019 for consideration S\$14.0 million. The use of proceeds S\$14.0 million was for repayment of bank borrowings approximately S\$11.4 million; ASE's creditors and for the Group's working capital. Capital expenditure on mandatory drydocking repairs on one of the livestock carriers was approximately S\$3.0 million.

Net cash outflow in financing activities was S\$20.85 million in FY2019. This was mainly due to repayment of S\$15.65 million bank borrowings; redemption of S\$5.0 million convertible bond matured in April 2019; proceeds on the exchange of 2022 bond from existing bondholders; repayment of lease liabilities S\$1.74 million largely for our right-of-use assets and S\$1.61 million dividend paid to non-controlling interest.

As a result of the above, the Group registered a net increase in cash and cash equivalent of S\$0.55 million for FY2019.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (Cont'd)

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on (Cont'd)

ASSETS AND LIABILITIES

The Group registered total assets of S\$115.93 million as at 31 December 2019.

The Group's current assets decreased from S\$58.18 million as at 31 December 2018 to S\$40.31 million as at 31 December 2019 mainly due to the completion of the disposal of a subsidiary which was recorded as asset held-for-sale at S\$13.51 million as at 31 December 2018 to NIL as at 31 December 2019. Inventories decreased from S\$11.24 million to S\$5.05 million mainly due to sale of two (2) tug boats and two (2) cargo barges.

Ageing of the trade receivables as of 31 December are as follow:-

	Dec-19 S\$'000	Dec-18 S\$'000	Increase / (Decrease) S\$'000
Current	3,933	3,165	768
less than 90 days	8,500	5,483	3,017
91 to 150 days	1,823	1,396	427
151 to 365 days	1,077	3,047	(1,970)
More than 365 days	3,358	4,862	(1,504)
	<u>18,691</u>	<u>17,953</u>	738

The Board notes that the trade receivables for 151 to 365 days and more than 365 days has decreased from 31 December 2018 to 31 December 2019. The Board will continue to closely monitor the collectability of such trade receivables. In addition, the Group carries out impairment loss testing on its trade receivables on a quarterly basis. As and when trade receivables are deemed uncollectable, the Company will make the necessary impairment loss provisions. The last impairment loss testing was done in February 2020 prior to the release of this announcement on 27 February 2020.

The Group's non current assets increased from S\$71.73 million as at 31 December 2018 to S\$75.63 million as at 31 December 2019 mainly due to S\$5.98 million recorded on right-of-use assets relating to a recently entered 3 year lease agreement for our headquarter office premise; lease on our trading warehouse cum workers' dormitory at Tuas area in Singapore as well as rental of various equipment. Our SH division incurred capital expenditure of approximately S\$3.0 million on mandatory drydocking for one of our livestock carriers in FY2019.

Total liabilities for the Group decreased by S\$11.51 million from S\$74.73 million as at 31 December FY2018 to S\$63.22 million as at 31 December 2019.

The Group's current liabilities decreased by S\$13.83 million from S\$63.57 million as at 31 December 2018 to S\$49.74 million as at 31 December 2019. This was mainly due to completion of the disposal of a subsidiary - Asian Sealand Engineering Pte Ltd which was recorded as liabilities held-for-sale at S\$13.86 million as at 31 December 2018 to NIL as at 31 December 2019.

The Group's non current liabilities increased from S\$11.16 million as at 31 December 2018 to S\$13.48 million as at 31 December 2019 mainly due to lease liabilities S\$3.93 million relating to a 3 year lease agreement for our headquarter office premise; lease on a trading warehouse cum workers' dormitory at Tuas area in Singapore as well as rental of various equipment. The Group also obtained extended terms with few key supportive trade creditors of which S\$1.41 million payables shall be due after one year.

The Group registered net current liabilities of S\$9.44 million as at 31 December 2019 as compared to S\$5.39 million as at 31 December 2018. The increase was primarily due to bullet payments of US\$2.63 million and S\$1.57 million of the vessel loan and an Indonesian waterfront leasehold property loan respectively within twelve months. In addition, the Group registered lease liabilities (current portion) of S\$2.17 million on the newly entered three (3) years lease agreement (pursuant to SFRS(I) 16 Leases - The Group has applied the standard from its mandatory adoption date of 1 January 2019 to all leases, including leases of Right-of-Use assets in a sublease); a trading warehouse cum dormitory lease at Tuas area in Singapore and rental of various equipment. In addition, there was bridging loan extended by minority shareholder of one of our subsidiaries to the livestock carriers business for financing the mandatory repair and survey costs which the SH division is actively sourcing term financing for these two vessels which have 12 years and 15 years remaining useful life respectively.

The Board is of the opinion that, after taking into consideration the Group's existing cash and cash equivalents, available bank facilities, existing banking relationships and other possible financing options as well as the Group's existing assets, the Group is able to meet its short-term obligations as and when they fall due.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Company did not make any forecast and prospect statement in respect of its results for the financial period ended on 31 December 2019.

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- 10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The outlook for the marine, offshore oil and gas sector remain uncertain. The Group will strive to get more business to weather the tough market conditions.

Quarterly Reporting.

With effect from 7th Feb 2020 , the Group is not required under the listing rules of Singapore Exchange Securities Trading Limited to release its financial statements on a quarterly basis. It will release its financial statements on a half-yearly basis.

- 11 Dividend**

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial period?

None

(c) Date payable

Not applicable

(d) Record date

Not applicable

- 12 If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision.**

After considering the Group's financial position and the difficult business environment, no dividend is declared or recommended for the period under review.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

- 14 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Group has obtained undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

- 15 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

BUSINESS SEGMENTS

	Infra- struc- ture Engineering	Corrosion Prevention	Supply & Distribution	Shipping	Others	Total for Continuing Operations
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2019						
Total segment sales	16,882	21,195	8,161	16,346	-	62,584
Inter-segment sales	(633)	(1,302)	(2,265)	(26)	-	(4,226)
Sales to external customers	16,249	19,893	5,896	16,320	-	58,358
Results:						
Segment result	(892)	3,759	590	(3,087)	(83)	287
Interest expense	(152)	(128)	(271)	(1,509)	-	(2,060)
Interest Income	7	1	10	1	-	19
(Loss) / profit from operating segments	(1,037)	3,632	329	(4,595)	(83)	(1,754)
Gain on disposal of asset held-for-sale						5,810
Unallocated administrative expenses						(1,989)
Profit before income tax						2,067
Income tax expense						(351)
Net profit						1,716
Profit attributable to non-controlling interest						508
						<u>2,224</u>
Net profit includes:						
- Depreciation	1,774	625	50	3,369	-	5,818
- Amortisation	-	776	829	-	-	1,605
Other information						
Segments assets	37,568	15,845	8,518	53,576	423	115,930
Segments assets includes:-						
Additions to: Property, plant and equipment	622	123	42	3,258	-	4,045
Segment liabilities	(12,826)	(23,048)	(6,730)	(9,005)	(11)	(51,620)
2018						
Total segment sales	12,760	17,320	8,606	22,138	-	60,824
Inter-segment sales	(780)	(2,616)	(2,112)	-	-	(5,508)
Sales to external customers	11,980	14,704	6,494	22,138	-	55,316
Results:						
Segment result	1,041	(21)	45	(2,841)	(80)	(1,856)
Interest expense	(425)	(224)	(126)	(1,411)	-	(2,186)
Interest Income	1	4	9	-	-	14
Profit / (loss) from operating segments	617	(241)	(72)	(4,252)	(80)	(4,028)
Unallocated administrative expenses						(2,957)
Loss before income tax						(6,985)
Income tax credit						(98)
Net Loss						(7,083)
Profit attributable to non-controlling interest						(129)
						<u>(7,212)</u>
Net loss includes:						
- Depreciation	2,068	941	49	3,793	-	6,851
Other information						
Segments assets	36,710	13,012	6,320	59,849	503	116,394
Segments assets includes:-						
Additions to: Property, plant and equipment	1,279	164	15	336	-	1,794
Segment liabilities	(11,395)	(18,241)	(4,256)	(9,977)	(8)	(43,877)

- 16 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

- 17 A breakdown of sales as follows:-

	GROUP			
	FY 2019 S\$'000	FY 2018 S\$'000	+ / (-) S\$'000	+ / (-) %
<u>Continuing Operations</u>				
<u>First Half</u>				
(a) Revenue	26,162	29,356	(3,194)	(11%)
(b) Operating profit/(loss) after tax before deducting non-controlling interests	2,715	(498)	3,213	NM
<u>Second Half</u>				
(a) Revenue	32,196	25,960	6,235	24%
(b) Operating loss after tax before deducting non-controlling interests	(999)	(6,585)	5,586	(85%)
<u>Discontinued Operations</u>				
<u>First Half</u>				
(a) Revenue	1,603	6,065	(4,462)	(74%)
(b) Operating loss after tax before deducting non-controlling interests	(1,455)	(2,507)	1,052	NM
<u>Second Half</u>				
(a) Revenue	327	2,765	(2,438)	(88%)
(b) Operating loss after tax before deducting non-controlling interests	(12)	(1,942)	1,930	(99%)

- 18 A breakdown of total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (Refer to Para 16 of Appendix 7.2 for the required details).

	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	-	-
Preference	-	-
Total:	-	-

- 19 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below.

Name	Age	Family Relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Chua Beng Yong	58	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	<p>Current Position: Chief Operating Officer</p> <p>Duties: Responsible for overseeing the Group's businesses, particularly in infrastructure engineering division, including its marketing and business development.</p> <p>Position first held in: 2011</p> <p>Year of employment: Since 1990.</p>	<p>Changes in duties: No change.</p> <p>Changes in position: No change.</p>
Chua Beng Hock	56	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	<p>Current Position: Deputy Chief Operating Officer</p> <p>Duties: Responsible for overseeing the Group's businesses, particularly in corrosion prevention division, including its marketing and business development.</p> <p>Position first held in: 2011</p> <p>Year of employment: Since 1990.</p>	<p>Changes in duties: No change.</p> <p>Changes in position: No change.</p>
Chua Min Kong	60	Brother of Chua Beng Kuang (Executive Chairman and substantial shareholder) and Chua Meng Hua (Managing Director and substantial shareholder)	<p>Current Position: Manager</p> <p>Duties: Responsible for overseeing the process plant operations in Batam yard.</p> <p>Position first held in: 2011</p> <p>Year of employment: Since 1998.</p>	<p>Changes in duties: No change.</p> <p>Changes in position: No change.</p>

BY ORDER OF THE BOARD

Chua Beng Kuang
Executive Chairman
27 Feb 2020

Chua Meng Hua
Managing Director and Chief Executive Officer